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PRESS RELEASE

Government of Belize and the Millennium Challenge Corporation Complete Compact Negotiations

Belmopan, April 17, 2024.

The Government of Belize (GOB) and the U.S. Government's Millennium Challenge Corporation (MCC) successfully completed formal negotiations on a US\$125 million grant agreement called the MCC – Belize Compact on April 17, at MCC Headquarters in Washington, D.C.

A delegation from Belize led by Hon. Christopher Coye, Minister of State in the Ministry of Finance, Economic Development, and Investment, and Dr. Osmond Martinez, CEO in the Ministry of Economic Development, participated in the negotiations supported by Attorney General Hon. Anthony Sylvestre and his team which began on April 15 and concluded on April 17. The delegation also included Ambassador Lynn Young; Dian Maheia, CEO in the Ministry of Education, Culture, Science and Technology; Jose Urbina, CEO in the Ministry of Public Utilities, Energy, Logistics and E-governance; and others from those ministries and the Compact Development team.

The MCC – Belize Compact aims to assist the GOB in addressing key constraints to economic growth in the education and energy sectors. The GOB will also invest \$40 million as a counterpart contribution over a period of 5 years towards the compact's goals, in addition to the project total of \$125 million.

MCC compacts are five-year grant programs that aim to reduce poverty by increasing economic growth. Based on an analysis of the constraints to economic growth, MCC and GOB agreed to focus compact development on two key constraints to sustainable and inclusive growth in Belize:

- Education: Low quality of education has led to a shortage of trained professionals in all industries.
- Energy: High cost of electricity drives up input costs for all industries

The compact will consist of two projects – the Education Project and the Energy Project – both of which will be implemented by a new Belizean entity called the Millennium Challenge Account-Belize (MCA-Belize). For transparency and accountability, GOB agreed to establish the entity as a statutory body.

The objective of the proposed Education Project is to equitably increase the number of post-primary graduates with competencies relevant to current and anticipated labor market demands by transforming teaching and learning,

promoting access to and progression through secondary education, and strengthening the capacity, legal and institutional framework of the TVET sector.

The objective of the proposed Energy Project is to decrease the wholesale cost of electricity and, ultimately, the retail tariff by improving governance capacity; supporting Belize to implement its utility-scale renewable energy expansion plans; and enabling the government, businesses, and households to make investments in distributed generation and improve energy-efficient practices.

The GOB formally engaged in final discussions with MCC to reach agreement on the specific activities, budget, objective, data collection and reporting, and legal requirements that will comprise the compact program. The five-year grant agreement will be formally signed later this year, and implementation is expected to commence in 2025.

MCC is an independent U.S. government development agency working to reduce global poverty through economic growth. Created in 2004, MCC provides time-limited grants that pair investments in infrastructure with policy and institutional reforms to countries that meet rigorous standards for good governance, fighting corruption and respecting democratic rights.

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